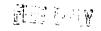
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Iranian official quoted as <u>saying</u> hostages release possible

NICOSIA, Cyprus (AP) — Iran is prepared to help secure the release of American hostages held in Lebanon without having official talks with the United States or receiving money Iran claims belongs to it, a top official was quoted as saying yesterday.

Iran's official Islamic Republic News Agency, monitored in Nicosia, attributed the remark to Parliament Speaker Hashemi Rafsanjani. It said he made the statement during a meeting with Konstantin Katushev, head of a Soviet mission seeking to improve economic links with Iran.

It was the third time Mr. Rafsanjani has declared Iran was prepared to mediate with pro-Iranian Shi'ite Moslem extremists who hold at least five U.S. captives in Lebanon.

He first mentioned the offer on Nov. 28. Then last Thursday he said Iranian mediation was possible, but stressed the United States had to deliver weapons paid for by the late Shah Mohammed Reza Pahlavi before the monarch was ousted in the 1979 Islamic revolution.

According to the IRNA report, Mr. Rafsanjani made no mention of the arms in relation to the hostages in his talks with Mr. Katushev.

But the agency said he castigated the Soviets for selling weapons to Iraq, which has been at war with Iran for more than six years.

It quoted Mr. Rafsanjani as saying, "U.S. officials, whether Republicans or Democrats, despite their differences, accept the philosophy

of having ties with Iran and are prepared, should we show any flexibility, to solve our arms problems."

It said he added, "Nevertheless, we decisively rejected that. We agreed to contacts only in as far as interceding for the hostages in Lebanon, without having any official talks or receiving the money which we have in the U.S.A."

Six Americans are missing in Lebanon, but the kidnappers of one, William Buckley, a political officer at the U.S. Embassy in Beirut, claimed he was killed. The body has never been found and there have been reports he might have died in captivity after being tortured.

The release of three others American prisoners since September 1985

have been linked in various reports with the clandestine delivery of U.S. weapons since that period.

Some \$500 million of Iranian funds were frozen in the United States after Iranian militants stormed the U.S. Embassy in Tehran in 1979 and held more than 50 diplomats and employees hostages for 444 days.

The delivery of military hardware and spare parts worth some \$300 million ordered by the shah were blocked. These are the arms Iran insists should be delivered now.

President Reagan, his administration engulfed in conflict since it was disclosed weapons had been sent to Iran, with some of the proceeds going to Nicaraguan rebels, has declared there will be no more arms

shipments to Iran.

The Iranian news agency reported Rafsanjani referred to the secret visit to Tehran last May of Reagan's former national security adviser, Robert McFarlane, in a bid to improve relations with Iran and the lack of relations was an "an unprecedented problem" for the United States.

The agency quoted Mr. Rafsanjani as saying Mr. McFarlane, "though bearing messages and gifts from Mr. Reagan, was not able to find a single official here who would talk to him.

"Had I gone to Russia for trade, [Soviet leader Mikhail] Gorbachev would have spoken to me three times."

Mr. Rafsanjani added the British "are constantly dispatching emissaries to us in an effort to raise the level of relations with us," the news agency reported.

The other Americans missing in Lebanon are Terry A. Anderson, chief Middle East correspondent for The Associated Press, kidnapped March 16, 1985; Thomas Sutherland, acting dean of agriculture at the American University of Beirut, abducted June 9, 1985; Frank Herbert Reed, the director of the Lebanese International School, missing since Sept. 9, 1986; Joseph James Cicippio, acting comptroller at the American University in Beirut, kidnapped Sept. 12; and Edward Austin Tracy, a writer abducted Oct. 21, 1986.